Highlights FY 2019

Sales +0% to €2.6 bn

- All regions with organic sales declines
- External growth mainly in Asia-Pacific due to the acquisition of NULON in Australia
- Investments at peak level of €154 mn
- Free cash flow before acquisitions at €175 mn

EBIT -16% to €321 mn

EPS -21%

Dividend +2% to €0.97 per pref. share / €0.96 per ord. share

Outlook 2020 (As of March 4)

- Sales +0% to +4%
- EBIT +0% to +4%

The negative effects of the corona virus on the global economy and the FUCHS Group cannot be estimated
## Comparison outlook and results 2019

---|---|---|---|---
Sales | €2,567 mn | +2% to +4% | -3% to +0% | Upper end | € 2,572 mn (+0%)
EBIT comparable | €371 mn | -5% to -2% | -27% to -17% | Upper end | € 321 mn (-13%)
EBIT | €383 mn | -8% to -5% | -30% to -20% | Upper end | € 321 mn (-16%)
FUCHS Value Added | €251 mn | ~ €200 mn | €130 mn to €160 mn | | € 174 mn
FCF before acquisitions | €147 mn | ~ €100 mn | €70 mn to €90 mn | | € 175 mn
Sales development

€ mn

Q1 ’17  Q2 ’17  Q3 ’17  Q4 ’17  Q1 ’18  Q2 ’18  Q3 ’18  Q4 ’18  Q1 ’19  Q2 ’19  Q3 ’19  Q4 ’19

618  629  615  611  643  668  642  614  643  653  656  620

2,567  0% YoY  2,572
EBIT development
(Q3 2018: €12 mn one-off effect from sale of at equity share)
FY 2019 Group sales

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>Organic Growth</th>
<th>External Growth</th>
<th>FX</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,567</td>
<td>-26 (-1%)</td>
<td>+18 (+1%)</td>
<td>+13 (0%)</td>
<td>2,572</td>
</tr>
</tbody>
</table>

€ mn
Employees worldwide

- **Holding**: 5,446 employees in 2018, 5,627 in 2019, +181 (+3%)
- **Americas**: 690 employees in 2018, 745 in 2019, +55 (8%)
- **Asia-Pacific**: 895 employees in 2018, 932 in 2019, +37 (4%)
- **EMEA**: 3,740 employees in 2018, 3,820 in 2019, +80 (2%)

- **M&A**:
  - +111 (+2%)
  - w/o M&A: +70 (1%)
# Income statement

<table>
<thead>
<tr>
<th>€ mn</th>
<th>2019</th>
<th>2018</th>
<th>Δ € mn</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2,572</td>
<td>2,567</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>890</td>
<td>899</td>
<td>-9</td>
<td>-1</td>
</tr>
<tr>
<td>Gross Profit margin</td>
<td>34.6 %</td>
<td>35.0 %</td>
<td>-</td>
<td>-0.4 %-points</td>
</tr>
<tr>
<td>Other function costs</td>
<td>-580</td>
<td>-542</td>
<td>-38</td>
<td>7</td>
</tr>
<tr>
<td>EBIT before at Equity</td>
<td>310</td>
<td>357</td>
<td>-47</td>
<td>-13</td>
</tr>
<tr>
<td>At Equity (including €12 mn one-off in 2018)</td>
<td>11</td>
<td>26</td>
<td>-15</td>
<td>-58</td>
</tr>
<tr>
<td>EBIT</td>
<td>321</td>
<td>383</td>
<td>-62</td>
<td>-16</td>
</tr>
<tr>
<td>Earnings after tax</td>
<td>228</td>
<td>288</td>
<td>-60</td>
<td>-21</td>
</tr>
</tbody>
</table>
## Balance sheet

<table>
<thead>
<tr>
<th>Assets in € mn</th>
<th>Dec 31, 2019</th>
<th>Dec 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>175</td>
<td>174</td>
</tr>
<tr>
<td>Other intangible assets &amp; PPE</td>
<td>741</td>
<td>626</td>
</tr>
<tr>
<td>Shares in companies consolidated at equity</td>
<td>47</td>
<td>38</td>
</tr>
<tr>
<td>Inventories</td>
<td>381</td>
<td>410</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>381</td>
<td>379</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>219</td>
<td>195</td>
</tr>
<tr>
<td>Other assets</td>
<td>79</td>
<td>69</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>2,023</strong></td>
<td><strong>1,891</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity and Liabilities in € mn</th>
<th>Dec 31, 2019</th>
<th>Dec 31, 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity</td>
<td>1,561</td>
<td>1,456</td>
</tr>
<tr>
<td>Pension provisions</td>
<td>36</td>
<td>25</td>
</tr>
<tr>
<td>Other provisions</td>
<td>29</td>
<td>28</td>
</tr>
<tr>
<td>Trade payables</td>
<td>219</td>
<td>213</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td>26</td>
<td>4</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>152</td>
<td>165</td>
</tr>
<tr>
<td><strong>Total equity and liabilities</strong></td>
<td><strong>2,023</strong></td>
<td><strong>1,891</strong></td>
</tr>
</tbody>
</table>
Investment in the future
R&D expenses and Capex

R&D expenses 2019: €55 mn

Capex 2019: €154 mn

R&D expenses and Capex

0 10 20 30 40 50 60
2015 2016 2017 2018 2019

0 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150 160 170 180
2015 2016 2017 2018 2019

Capex
Scheduled amortisation/depreciation

€ mn

2015 2016 2017 2018 2019

R&D expenses 2019: €55 mn
Capex 2019: €154 mn
Net operating working capital (NOWC)*

* In relation to the annualized sales revenues of the last quarter
## Cash flow

<table>
<thead>
<tr>
<th>€ mn</th>
<th>2019</th>
<th>2018</th>
<th>Δ in € mn</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings after tax</td>
<td>228</td>
<td>288</td>
<td>-60</td>
<td>-21</td>
</tr>
<tr>
<td>Amortization/Depreciation and impairment</td>
<td>79</td>
<td>58</td>
<td>21</td>
<td>36</td>
</tr>
<tr>
<td>Changes in net operating working capital (NOWC)</td>
<td>45</td>
<td>-48</td>
<td>93</td>
<td>-</td>
</tr>
<tr>
<td>Other changes</td>
<td>-23</td>
<td>-30</td>
<td>7</td>
<td>-23</td>
</tr>
<tr>
<td>Capex</td>
<td>-154</td>
<td>-121</td>
<td>-33</td>
<td>27</td>
</tr>
<tr>
<td>Free cash flow before acquisitions¹</td>
<td>175</td>
<td>147</td>
<td>28</td>
<td>19</td>
</tr>
<tr>
<td>Acquisitions¹</td>
<td>-13</td>
<td>12</td>
<td>-25</td>
<td>-</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>162</td>
<td>159</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

¹ Including divestments.
Net Liquidity

Free cash flow before acquisitions €175 mn
FY 2019 earnings summary

- Mainly volume driven organic sales decreases in all regions; During the year, the regions developed in opposite directions. While Americas had a good H1 and a decline in H2, EMEA and APAC recovered in H2 especially in Q4

- Gross margin decreased mainly due to planned production costs increases; raw material prices decreased slightly in H1 and were stable in H2

- Cost base increased due to investments in new and existing plants, in additional employees (mainly M&A driven) as well as inflation driven wage increases and increased R&D spending

- One-off effects due to goodwill impairment in Sweden (€6 mn) and impairment on receivables in the US additionally impacting respecting region’s EBIT

- Decrease in earnings after tax stronger than EBIT decline due to a higher tax rate of 29.1% (26.2%) mainly attributable to higher withholding taxes on dividends

- Capex on record level (€154 mn), however lower than originally planned due to project delays

- NOWC down to 21.8% of sales mainly due to reduction of inventories
Regional earnings summary

**EMEA:**
- Volume-driven sales decrease especially in Germany due to lower sales to European third-party customers but also due to a drop of intercompany deliveries to China; positive organic growth in UK, Poland, Hungary, Romania and South Africa
- Negative FX effects due to weakness of Swedish krona, Polish zloty and South African rand
- At equity income down due to one-off income in 2018 from the sale of the Swiss sales joint venture and the weakness of the Turkish currency
- Goodwill impairment of €6 mn in Sweden

**Asia-Pacific:**
- Due to the weakness of the Chinese automotive market organic volume decreases in the region, however due to cost control measures, declines were lower than originally planned; Japan and Australia with significant positive organic sales growth
- Positive external growth (€17 mn) due the acquisition of NULON, a automotive retail manufacturer in Australia; higher costs due to integration and increased personnel base
- Positive FX effects mainly from China
**Regional earnings summary**

**North and South America:**
- Volume-driven organic sales declines mainly in North America in H2
- Positive FX effects (€11 mn) mainly from the dollar offset the organic declines
- Minor external growth due to the acquisition of Zimmark, a Canadian service provider (CPM)
- Write-downs on receivables from a major North American customer
Dividend proposal

The Executive and Supervisory Board will propose an increase of €0.02 to the Annual General Meeting, resulting in a 2% higher dividend payment proposed.

€0.97
(0.95)
per preference share

€0.96
(0.94)
per ordinary share
# Outlook 2020
As of March 4, 2020

<table>
<thead>
<tr>
<th>Performance indicator</th>
<th>Actual 2019</th>
<th>Outlook 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>€ 2,572 mn</td>
<td>+0% to +4%</td>
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<td>~ € 130 mn</td>
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<tr>
<td>Capex</td>
<td>€ 154 mn</td>
<td>€ 120 mn</td>
</tr>
</tbody>
</table>

The negative effects of the corona virus on the global economy and FUCHS cannot be estimated
Investments worldwide

Wujiang, China

Kaiserslautern, Germany  Beresfield, Australia  Harvey (Chicago), USA
**Investment program**

**Capex 2016-2021 ~ €670 mn**

- In 2016 - 2018 over **€300 mn** capex was spent with focus on the expansion of Mannheim, Kaiserslautern and Chicago as well as new plants in China, Australia and Sweden.
- Capex peaked in 2019 at **€154 mn**. In 2020 **€120 mn** and 2021 **€80 mn** will be spent on growth and replacement as well as efficiency improvements due to significant volume increases, technological changes and a changed product mix.
- From 2022 onwards, capex should be back on par with the new level of depreciation.

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*Depreciation figures excluding PPA from M&A*
Acquisitions 2019

- **NULON**
  - Automotive retail business
  - Sales 2018 AUD 40mn (~ €25 mn), 65 employees
  - Closing April 1, 2019

- **ZIMMARK**
  - Chemical Process Management (CPM)
  - Sales 2018 €4 mn, 60 employees
  - Closing November 1, 2019

- **Nye Lubricants**
  - Automotive, medical, aerospace and in-vacuum industry
  - Sales 2018 USD 51mn (~ €46 mn), 180 employees
  - Closing January 24, 2020
NYE overview

Administration, plant and laboratories in New Bedford, Massachusetts (USA)

Automotive  Electronics  In-Vacuum  Aerospace  Medical technology

Selected target industries and applications
Africa represents 6% of the global lubricant market

FUCHS intends to increase its presence in this rapidly growing market

FUCHS South Africa generates € 75 million in sales p.a. with 280 employees

Joint ventures were founded in Tanzania and Egypt in 2019

At the beginning of 2020, FUCHS acquired 50% of the shares in three distributors each in Zimbabwe, Zambia and Mozambique. The three joint ventures employ 90 people and generate sales of around € 21 million p.a.

In other African countries, FUCHS has license partners and distributors
**Lubricant applications in passenger cars**

Electrification brings a variety of opportunities for FUCHS

- Corrosion preventive for battery housing
- Coolant for battery
- Cleaners in battery production
- Forming oils for battery cell cups or battery module cases
- Contact grease for electric connections
- Compressor oil for heatpump / air condition
- Axle transmission oil
- E-Drive Oil for E-Motor and gearbox
- MTF in machining of E-Motor a. gearbox
- Drawing oils for copperwire
- Greases for bearings in E-Motor
- Coolants for power electronics

Products, which are needed independent from propulsion type are not shown (e.g. Shock absorber oil)
FUCHS CO₂-neutral as of 2020

- Since 2010 already 30% reduction of energy consumption-specific CO₂ emissions per ton of FUCHS lubricant produced
- From 2020 onwards, all FUCHS locations worldwide will be CO₂-neutral - from energy consumption in production to consumables in administration
- Emissions not yet avoided are offset by compensation measures
- Investment in high-quality climate protection projects for the expansion of renewable energies

On track to deliver as promised
FUCHS2025 – „act global“

Strategy
- Vision for the future
- Projects and action
- Financial target

Culture
Values and the way we want to communicate

Structure
Global processes and standards
FUCHS continuous dividend distribution policy – since 1985

€ mn

1985 1987 1989 1991 1993 1995 1997 1999 2001 2003 2005 2007 2009 2011 2013 2015 2017 2019
## Financial Calendar 2020

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 30, 2020</td>
<td>Quarterly Statement Q1 2020</td>
</tr>
<tr>
<td>TBA due to Corona</td>
<td>Annual General Meeting</td>
</tr>
<tr>
<td>June 26, 2020</td>
<td>Capital Market Day</td>
</tr>
<tr>
<td>November 3, 2020</td>
<td>Quarterly Statement Q3 2020</td>
</tr>
</tbody>
</table>

The financial calendar is updated regularly. You can find the latest dates on the webpage at [www.fuchs.com/financial-calendar](http://www.fuchs.com/financial-calendar)

## Investor Relations Contact

**FUCHS PETROLUB SE**  
Friesenheimer Str. 17  
68169 Mannheim  
[www.fuchs.com/group/investor-relations](http://www.fuchs.com/group/investor-relations)

- **Thomas Altmann**  
  Head of Investor Relations  
thomas.altmann@fuchs.com

- **Andrea Leuser**  
  Manager Investor Relations  
andrea.leuser@fuchs.com

- **Kelvin Jörn**  
  Junior Manager Investor Relations  
kelvin.joern@fuchs.com
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